FILED
CHARLOTTE, NC

APR 20 2017

US DISTRICT COURT
WESTERN DISTRICT OF NC

UNITED STATES DISTRICT COURT FOR THE
WESTERN DISTRICT OF NORTH CAROLINA
CHARLOTTE DIVISION

UNITED STATES OF AMERICA,	)	DOCKET NO. 3:17CR126-RJC
	)	
v.	)	BILL OF INDICTMENT
	)	
CHARLES WHITLOCK, JR.,	)	18 U.S.C. § 1341
	)	18 U.S.C. § 1343
Defendant.	)	18 U.S.C § 1344(1)
	)	

THE GRAND JURY CHARGES:

At all times relevant to this Indictment:

INTRODUCTION

1. From at least in or about December 2013, through in or about April 2017, in Mecklenburg County, within the Western District of North Carolina, and elsewhere, the defendant, CHARLES WHITLOCK, JR. ("WHITLOCK"), engaged in mail fraud, wire fraud and bank fraud to execute a "synthetic identity" fraud scheme and fraudulently obtain more than $340,000 from one or more financial institutions.

THE FRAUD SCHEME

2. WHITLOCK used the United States mail and wire communications to defraud Capital One Bank and other financial institutions, as defined by Title 18, United States Code, Section 20, using false and fraudulent pretenses, representations and promises, including:

a. submission of false and fraudulent credit card applications, by telephone and through the Internet, using fictitious identity information for non-existent people who falsely were represented to be real people,

b. use of online U.S. mail forwarding services, provided by the United States Postal Service, to divert fraudulently-obtained credit cards that Capital One and other financial institutions mailed to addresses contained in the false and fraudulent credit card applications to mailing addresses controlled or accessible to WHITLOCK, and

c. use of fraudulently-obtained credit cards in the names of fictitious persons, known in the trade as "synthetic identities," to: (1) obtain money, goods and services through electronic payments at point-of-sale ("POS") terminals, (2) money from automated teller machines ("ATMs") and (3) obtain money through one or more online merchants controlled by or accessible to WHITLOCK.

DEFINITIONS

3. Under the Fair Credit Reporting Act ("FCRA") and for purposes of this Indictment, the terms:

a. "consumer" means an individual.

b. "consumer reporting agency" means any person which, for monetary fees, dues, or on a cooperative nonprofit basis, regularly engages in whole or in part in the practice of assembling or evaluating consumer credit information or other information on consumers for the purpose of furnishing consumer reports to third parties, and which uses any means or facility of interstate commerce for the purpose of preparing or furnishing consumer reports.

c. "consumer reporting agency that compiles and maintains files on consumers on a nationwide basis" means a consumer reporting agency that regularly engages in the practice of assembling or evaluating, and maintaining, for the purpose of furnishing consumer reports to third parties bearing on a consumer's credit worthiness, credit standing, or credit capacity, each of the following regarding consumers residing nationwide: (1) Public record information, and (2) Credit account information from persons who furnish that information regularly and in the ordinary course of business.

d. "consumer report" means any written, oral, or other communication of any information by a consumer reporting agency bearing on a consumer's credit worthiness, credit standing, credit capacity, character, general reputation, personal characteristics, or mode of living which is used or expected to be used or collected in whole or in part for the purpose of serving as a factor in establishing the consumer's eligibility for credit or insurance to be used primarily for personal, family, or household purposes.

e. "file" (when used in connection with information on any consumer) means all of the information on that consumer recorded and retained by a consumer reporting agency regardless of how the information is stored.

4. For purposes of this Indictment, the terms:

a. "credit report" is synonomous with the FCRA term "consumer report."

b. "credit file" means a form of "file" as defined by the FCRA, and includes information about a consumer in the databases of credit reporting agencies. The "header" or "identifying information" of a credit file typically contains the identifying information of a consumer with whom the credit file is associated, including an individual's name (and any other names previously used), current and former addresses, social security number (SSN), date of birth and phone numbers, although not all credit files contain these identifying elements.

c. "Credit reporting agency" is synonomous with the FCRA term "consumer reporting agency."

5. "Information furnisher" means any person or entity that reports information about consumers to credit reporting agencies. Under the FCRA's Furnisher Rule, information furnishers were required to: (1) furnish information about consumers that was accurate and complete, and (2) investigate consumer disputes about the accuracy of the information furnished to credit reporting agencies.

6. "Synthetic identity" means a fictitious identity created with a combination of real and fabricated information about people, or sometimes entirely fictitious information about people, including but not limited to names, social security numbers ("SSN"), dates of birth ("DOB"), addresses and telephone and cell phone numbers.

7. "Pollinated synthetic identity" means a synthetic identity added as an authorized user of an existing credit card account. A pollinated synthetic identity typically inherits the credit history of the existing credit card account holder, and makes it easier to get multiple new credit card accounts and higher credit limits.

ENTITIES AND INDIVIDUALS

8. CHARLES WHITLOCK, JR. ("WHITLOCK") was a resident of South Carolina who resided in Rock Hill, South Carolina.

9. Capital One Bank ("Capital One") was a financial institution headquartered in McLean, Virginia, whose accounts and deposits were insured by the Federal Deposit Insurance Corporation ("FDIC"). Capital One was one of the top-ten largest banks in the United States based on deposits, and had branch banks in New York, New Jersey, Texas, Louisiana, Maryland, Virginia and the District of Columbia, and offered credit card accounts to consumers throughout the United States. Capital One accepted new credit card applications from consumers over the Internet and by telephone. Capital One used the services of credit reporting agencies to assess the credit worthiness and credit risk of prospective consumer borrowers, and was an information furnisher at times when it reported information to credit reporting agencies about consumers who had opened new credit card accounts with Capital One.

10. Experian, Equifax and TransUnion were the three largest nationwide consumer reporting agencies that collect, compile and report information about consumers in the form of credit reports.

MANNER AND MEANS

11. WHITLOCK submitted and caused to be submitted more than 750 new credit card applications containing synthetic identity information to Capital One and other financial institutions for the purpose of fraudulently obtaining new account credit cards under the names, SSNs and DOBs of the synthetic identities. Approximately ninety percent (90%) of said credit card applications were submitted by telephone, and approximately ten percent (10%) were submitted over the Internet.

12. Approximately seventy percent (70%) of new credit cards issued by Capital One pursuant to WHITLOCK's synthetic identity fraud scheme had credit limits ranging from $100 to $500, and approximately thirty percent (30%) had credit limits exceeding $500.

13. WHITLOCK sometimes used pollinated synthetic identities when he submitted and caused to be submitted new credit card applications containing synthetic identity information to Capital One and other financial institutions. WHITLOCK did so in order to obtain multiple new credit cards in the names of synthetic identities, and to obtain higher credit limits for new credit cards issued under the names, SSNs and DOBs of synthetic identities.

14. WHITLOCK used hundreds of addresses for the synthetic identities used in the false and fraudulent credit card application. WHITLOCK did so for the purpose of avoiding new credit card fraud detection systems of Capital One and other financial institutions, including original addresses of residences located within the Western District of North Carolina.

15. WHITLOCK caused Capital One and other financial institutions to deposit in post offices and authorized depositories for mail matter fraudulently-obtained credit cards issued in the names of synthetic identities, to be sent and delivered by the U.S. Postal Service.

16. WHITLOCK used the online U.S. mail forwarding services of the United States Postal Service to divert fraudulently-obtained credit cards Capital One and other financial institutions mailed to addresses contained in the false and fraudulent credit card applications to mailing addresses controlled or accessible to WHITLOCK.

17. WHITLOCK did take and receive from the mail fraudulently-obtained credit cards in the names of synthetic identities that were issued by Capital One and other financial institutions as a result of WHITLOCK's synthetic identity fraud scheme.

18. WHITLOCK used fraudulently-obtained credit cards in the names of fictitious persons to obtain money, goods and services at point-of-sale ("POS") terminals and money at automated teller machines ("ATMs"), including POS terminals located in the Western District of North Carolina, and to obtain money through one or more online merchants controlled by or accessible to WHITLOCK.

COUNT ONE
(BANK FRAUD - 18 U.S.C. § 1344(1))

19. Paragraphs 1 through 18 of this Indictment are re-alleged and incorporated herein by reference as though fully set forth herein.

20. From at least in or about December 2013, through in or about April 2017, in Mecklenburg County, within the Western District of North Carolina, and elsewhere, the defendant,

CHARLES WHITLOCK, JR.,

with the intent to defraud, did knowingly and intentionally execute and attempt execute a scheme or artifice to defraud one or more financial institutions, including but not limited to Capital One Bank, by means of false and fraudulent pretenses, representations and promises, to wit, representing himself to be the fictitious people identified in numerous false and fraudulent credit card applications.

All in violation of Title 18, United States Code, Section 1344(1).

COUNTS TWO
(MAIL FRAUD - 18 U.S.C. § 1341)

21. Paragraphs 1 through 18 of this Indictment are re-alleged and incorporated herein by reference as though fully set forth herein.

22. From at least in or about December 2013, through in or about April 2017, in Mecklenburg County, within the Western District of North Carolina, and elsewhere, the defendant,

CHARLES WHITLOCK, JR.,

with the intent to defraud, did knowingly and intentionally devise and intend to devise the above-described scheme and artifice to defraud and to obtain money and property by means of materially false and fraudulent pretenses, representations and promises, and for the purpose of executing said scheme and artifice, or attempting to do so, did cause to be deposited in any post office or authorized depository for mail matter any matter and thing whatever, to wit, fraudulently-obtained credit cards in the names of fictitious identities, to be sent and delivered by the U.S. Postal Service, and did take and receive therefrom said mail matter and things.

All in violation of Title 18, United States Code, Section 1341.

COUNT THREE
(WIRE FRAUD - 18 U.S.C. § 1343)

23. Paragraphs 1 through 18 of this Indictment are re-alleged and incorporated herein by reference as though fully set forth herein.

24. From at least in or about December 2013, through in or about April 2017, in Mecklenburg County, within the Western District of North Carolina, and elsewhere, the defendant,

CHARLES WHITLOCK, JR.

with the intent to defraud, did knowingly and intentionally devise and intend to devise the above-described scheme and artifice to defraud and to obtain money and property by means of materially false and fraudulent pretenses, representations and promises, and for the purpose of executing such scheme and artifice, did transmit and cause to be transmitted by means of wire communication in interstate and foreign commerce any writing, signal or sound that affected one or more financial institutions, including Capital One Bank, to wit, wire communications to: (a) submit false and fraudulent credit card applications, (b) withdraw money from ATMs, (c) obtain money, goods and services through electronic payments made at POS terminals, and (d) obtain money and funds through one or more online merchant accounts that WHITLOCK controlled or had access to.

All in violation of Title 18, United States Code, Section 1343.

NOTICE OF FORFEITURE AND FINDING OF PROBABLE CAUSE

Notice is hereby given of 18 U.S.C. § 982 and 28 U.S.C. § 2461(c). Under Section 2461(c), criminal forfeiture is applicable to any offenses for which forfeiture is authorized by any other statute, including but not limited to 18 U.S.C. § 981 and all specified unlawful activities listed or referenced in 18 U.S.C. § 1956(c)(7), which are incorporated as to proceeds by Section 981(a)(1)(C). The following property is subject to forfeiture in accordance with Section 982 and/or 2461(c):

a. All property which constitutes or is derived from proceeds of the violations set forth in this Bill of Indictment; and

b. If, as set forth in 21 U.S.C. § 853(p), any property described in (a) cannot be located upon the exercise of due diligence, has been transferred or sold to, or deposited with, a third party, has been placed beyond the jurisdiction of the court, has been substantially diminished in value, or has been commingled with other property which cannot be divided without difficulty, all other property of the defendant/s to the extent of the value of the property described in (a).

A TRUE BILL:

[redacted]

FOREPERSON

JILL WESTMORELAND ROSE
UNITED STATES ATTORNEY

THOMAS A. O'MALLEY
ASSISTANT U.S. ATTORNEY